

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4945

To establish the Library of Congress Revolving Fund, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

AUGUST 12, 1994

Mr. ROSE introduced the following bill; which was referred to the Committee  
on House Administration

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## A BILL

To establish the Library of Congress Revolving Fund, and  
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Library of Congress  
5 Financial Reform Act of 1994”.

6 **TITLE I—LIBRARY OF CONGRESS**  
7 **REVOLVING FUND**

8 **SEC. 101. AVAILABILITY OF FUND SERVICE ACTIVITIES.**

9 The Librarian of Congress is authorized—

10 (1) to establish Fund service units to carry out  
11 Fund service activities; and

1           (2) to make the library products and services  
2           constituting Fund service activities available for pur-  
3           chase through Fund service units at prices that do  
4           not exceed levels necessary to recover the production  
5           and distribution costs, over a reasonable period of  
6           time, with respect to each Fund service unit.

7   **SEC. 102. FUND SERVICE ACTIVITIES.**

8           The Fund service activities that may be conducted  
9   by Fund service units are—

10           (1) preparation of research reports, trans-  
11           lations, and analytical studies, for departments and  
12           other entities of the Federal Government;

13           (2) centralized acquisition of publications, infor-  
14           mation services, and library materials, and training  
15           in library and information services, for departments  
16           and other entities of the Federal Government;

17           (3) decimal classification development;

18           (4) gift shop sales of items associated with col-  
19           lections, exhibits, performances, and special events  
20           of the Library of Congress;

21           (5) document location, copying and delivery  
22           services, and international interlibrary lending;

23           (6) centralized acquisition for libraries partici-  
24           pating in the Library of Congress overseas pro-  
25           grams; and

1           (7) special events and programs, including per-  
2           formances, exhibits, workshops, and meetings.

3   **SEC. 103. LIBRARY OF CONGRESS REVOLVING FUND.**

4           (a) ESTABLISHMENT.—There is established in the  
5   Treasury a fund to be known as the “Library of Congress  
6   Revolving Fund”. The Fund shall be available, without fis-  
7   cal year limitation, to the extent provided in appropria-  
8   tions Acts, to the Librarian of Congress for the conduct  
9   of Fund service activities. The Fund shall consist of cap-  
10   ital under subsection (b) and credits under subsection (c).

11          (b) CAPITAL.—The capital of the Fund shall consist  
12   of—

13           (1) amounts appropriated by law for that pur-  
14   pose;

15           (2) upon the transfer of an activity of the Li-  
16   brary of Congress to a Fund service unit, the dif-  
17   ference between (A) the total value of the supplies,  
18   equipment, gift fund balances, and other assets of  
19   the activity, and (B) the total value of the liabilities  
20   (including the value of accrued annual leave of em-  
21   ployees) of the activity; and

22           (3) payments for goods and services provided  
23   under section 1535 of title 31, United States Code.

1 (c) CREDITS.—The Fund shall be credited with all  
2 amounts received by Fund service units with respect to  
3 Fund service activities, including—

4 (1) fees, advances, and reimbursements;

5 (2) receipts from sales and exchanges of prop-  
6 erty;

7 (3) payments for loss or damage to property;

8 (4) receivables, inventories, and other assets;

9 (5) amounts appropriated by law; and

10 (6) income from investments under subsection

11 (f).

12 (d) INDIVIDUAL ACCOUNTING REQUIREMENT FOR  
13 FUND SERVICE UNITS.—The accounts of the Fund, in-  
14 cluding reserve accounts and accounts for research and  
15 development, shall be maintained with respect to individ-  
16 ual Fund service units, without commingling.

17 (e) INTEREST ON CERTAIN APPROPRIATED CAP-  
18 ITAL.—Not later than December 31 of each year, the Li-  
19 brarian of Congress shall make an interest payment, with  
20 respect to the preceding fiscal year, on the capital in the  
21 Fund from appropriations under subsection (b)(1) for the  
22 purposes described in paragraphs (3), (4), (6), and (7)  
23 of section 102. The Secretary of the Treasury shall deter-  
24 mine the rate of interest using the average market yield  
25 on outstanding interest bearing obligations of the United

1 States with approximately one year remaining until matu-  
2 rity during the month of September preceding the begin-  
3 ning of the fiscal year involved. The interest payment shall  
4 be deposited in the Treasury as a miscellaneous receipt.

5 (f) INVESTMENTS.—The Secretary of the Treasury  
6 shall invest any portion of the Fund (other than amounts  
7 from appropriations and amounts from activities described  
8 in paragraphs (1), (2), and (5) of section 102) that, as  
9 determined by the Librarian of Congress, is not required  
10 to meet current expenses. Investments shall be made in  
11 interest bearing obligations of the United States or obliga-  
12 tions guaranteed as to principal and interest by the United  
13 States that, as determined by the Librarian of Congress,  
14 have maturities suitable for the Fund.

15 (g) EXCESS FUNDS.—If the Librarian of Congress  
16 determines that there is an unobligated balance in the  
17 Fund that is not necessary for Fund service activities, the  
18 Librarian shall deposit that balance in the Treasury as  
19 a miscellaneous receipt.

20 (h) FINANCIAL STATEMENTS.—(1) Not later than  
21 March 31 of each year, the Librarian of Congress shall  
22 submit to the Congress a financial statement for the Fund  
23 for the preceding fiscal year.

24 (2) The Comptroller General of the United States  
25 may audit a financial statement under paragraph (1) at

1 the discretion of the Comptroller General or at the direc-  
2 tion of a committee of the Congress. Any such audit shall  
3 be in accordance with generally accepted Government au-  
4 diting standards.

5 (3) The authority to conduct audits under paragraph  
6 (2) shall apply with respect to fiscal years beginning with  
7 fiscal year 1996.

8 **SEC. 104. DEFINITIONS.**

9 As used in this title—

10 (1) the term “Fund” means the Library of  
11 Congress Revolving Fund;

12 (2) the term “Fund service activities” means  
13 the library information products and services de-  
14 scribed in section 102; and

15 (3) the term “Fund service unit” means an or-  
16 ganizational entity of the Library of Congress that,  
17 at the direction of the Librarian of Congress, is par-  
18 tially or fully sustained through the Fund.

19 **TITLE II—CATALOGING**  
20 **PRODUCTS AND SERVICES**

21 **SEC. 201. AVAILABILITY OF CATALOGING PRODUCTS AND**  
22 **SERVICES.**

23 (a) IN GENERAL.—The Librarian of Congress is au-  
24 thorized to make cataloging products and services, created  
25 by the Library of Congress, available for purchase at

1 prices that do not exceed the distribution costs involved.  
2 The amounts received for such products and services shall  
3 be deposited in the Treasury to the credit of the appro-  
4 priation for salaries and expenses of the Library of Con-  
5 gress, to remain available until expended for necessary dis-  
6 tribution of such products and services.

7 (b) DEFINITION.—As used in this section, the term  
8 “cataloging products and services” means those informa-  
9 tion products and services, in any format now known or  
10 later developed, that are used by libraries and library or-  
11 ganizations, including bibliographic products and services,  
12 other Library-created data bases, and related technical  
13 publications.

14 **SEC. 202. REPEAL.**

15 The paragraph beginning “The Librarian of Con-  
16 gress” under the heading “PUBLIC PRINTING AND  
17 BINDING” in section 1 of the Act entitled “An Act mak-  
18 ing appropriations for sundry civil expenses of the Govern-  
19 ment for the fiscal year ending June thirtieth, nineteen  
20 hundred and three, and for other purposes”, approved  
21 June 28, 1902 (2 U.S.C. 150), is repealed.

1 **TITLE III—RETENTION OF PRO-**  
2 **CEEDS OF CERTAIN SALES**  
3 **AND RESTITUTION PAYMENTS**

4 **SEC. 301. SALE OF CERTAIN EXCESS PERSONAL PROPERTY.**

5 (a) IN GENERAL.—Subject to subsection (b) and sec-  
6 tion 302, the Librarian of Congress may sell personal  
7 property that is excess to the collections or the exchange  
8 and donation programs of the Library of Congress, pursu-  
9 ant to regulations promulgated by the Administrator of  
10 General Services for the disposal of personal property by  
11 sale, except that the proceeds of sales under this section  
12 shall be deposited in the fund under section 304.

13 (b) PROHIBITED SALES.—The Librarian may not sell  
14 personal property under subsection (a) if the personal  
15 property is—

16 (1) received by the Library, as a gift or other-  
17 wise, under a written acceptance or other written  
18 agreement by the Library that prohibits sale by the  
19 Library;

20 (2) an audio book, braille book, or sound pro-  
21 duction equipment or any other item for the blind or  
22 the physically handicapped under the Act entitled  
23 “An Act to provide books for the adult blind”, ap-  
24 proved March 3, 1931 (2 U.S.C. 135a and 135b); or



1           (3) a product of the Congressional Research  
2       Service, unless the sale is approved by the appro-  
3       priate authority of the Congress.

4   **SEC. 302. SPECIAL PROVISIONS FOR COPYRIGHT DEPOSIT**  
5                   **SALES.**

6       (a) IN GENERAL.—Under section 301, the Librarian  
7   of Congress is authorized to sell a copyright deposit de-  
8   scribed in subsection (c) only if—

9           (1) the copyright deposit is sold as scrap for re-  
10     cycling, under a written agreement between the Li-  
11     brary and the purchaser that prohibits resale by the  
12     purchaser and use for any purpose other than recy-  
13     cling;

14          (2) the copyright deposit has been owned by the  
15     Library of Congress for at least 5 years;

16          (3) there is no reasonable likelihood that the  
17     later resale or commercial use of the copyright de-  
18     posit will materially impair the market value of the  
19     work; or

20          (4) the term of copyright has expired.

21       (b) SPECIFIC PROHIBITIONS.—Notwithstanding sub-  
22   section (a), the Librarian may not sell a copyright deposit  
23   described in subsection (c) if—

24          (1) the work is unpublished at the time of de-  
25     posit;

1           (2) the work is subject to a request for reten-  
2           tion under section 704(e) of title 17, United States  
3           Code;

4           (3) the copyright deposit is subject to section  
5           407(d) of title 17, United States Code, and the joint  
6           order as to disposition has not been issued;

7           (4) the copyright deposit is made in response to  
8           a written demand under section 407(d) of title 17,  
9           United States Code; or

10          (5) the copyright deposit is subject to a written  
11          agreement between the Library and the depositor  
12          that prohibits sale by the Library.

13          (c) COPYRIGHT DEPOSIT DESCRIBED.—A copyright  
14          deposit, as referred to in subsections (a) and (b), is a copy,  
15          phonorecord, or identifying material deposited in the  
16          Copyright Office under section 407 or 408 of title 17,  
17          United States Code.

18       **SEC. 303. ACCEPTANCE OF RESTITUTION PAYMENTS.**

19          The Librarian of Congress is authorized to accept,  
20          for deposit in the fund under section 304, payments for  
21          lost, stolen, damaged, or destroyed books and other mate-  
22          rials from the collections of the Library, if such payments  
23          are—

24               (1) ordered by a judicial or administrative au-  
25               thority; or

1 (2) received from a borrower or other Library  
2 user.

3 **SEC. 304. FUND FOR RETENTION OF PROCEEDS OF CER-**  
4 **TAIN SALES AND RESTITUTION PAYMENTS.**

5 There is established in the Treasury a fund consisting  
6 of the proceeds from sales under sections 301 and 302  
7 and payments received under section 303. Amounts in the  
8 fund shall be available to the Librarian of Congress, to  
9 the extent provided in appropriations Acts, to remain  
10 available until expended, for the acquisition of books and  
11 other materials for the collections of the Library, including  
12 the costs of administering the national and international  
13 acquisition programs of the Library.

14 **TITLE IV—AMENDMENTS RELAT-**  
15 **ING TO THE LIBRARY OF CON-**  
16 **GRESS TRUST FUND BOARD**

17 **SEC. 401. ADDITIONAL MEMBER ON THE LIBRARY OF CON-**  
18 **GRESS TRUST FUND BOARD.**

19 The first sentence of the first paragraph of the first  
20 section of the Act entitled “An Act to create a Library  
21 of Congress Trust Fund Board, and for other purposes”,  
22 approved March 3, 1925 (2 U.S.C. 154), is amended by  
23 inserting after “chairman” the following: “and the vice  
24 chairman”.

1 **SEC. 402. CEILING INCREASE FOR PERMANENT LOAN AC-**  
2 **COUNT DEPOSITS.**

3 The proviso in the third undesignated paragraph of  
4 section 2 of the Act entitled “An Act to create a Library  
5 of Congress Trust Fund Board, and for other purposes”,  
6 approved March 3, 1925 (2 U.S.C. 158), is amended by  
7 striking out “\$10,000,000” and inserting in lieu thereof  
8 “\$30,000,000”.

9 **SEC. 403. CLARIFICATION OF INVESTMENT AUTHORITY.**

10 Section 2 of the Act entitled “An Act to create a Li-  
11 brary of Congress Trust Fund Board, and for other pur-  
12 poses”, approved March 3, 1925, is amended—

13 (1) in the third undesignated paragraph (2  
14 U.S.C. 158), by inserting after “subject to” the fol-  
15 lowing: “subsequent”; and

16 (2) in the second sentence of the fourth undes-  
17 ignated paragraph (2 U.S.C. 158a), by inserting  
18 after “retained” the following: “by the Librarian”.

19 **SEC. 404. AUTHORITY TO TRANSFER GIFT FUNDS TO THE**  
20 **BOARD.**

21 Section 4 of the Act entitled “An Act to create a Li-  
22 brary of Congress Trust Fund Board, and for other pur-  
23 poses”, approved March 3, 1925 (2 U.S.C. 160), is  
24 amended by adding at the end the following new undesignated  
25 paragraph:

1 “If so agreed by the Librarian of Congress and the  
2 board, a gift or bequest accepted by the Librarian under  
3 the first paragraph of this section may be invested or rein-  
4 vested in the same manner as provided for trust funds  
5 under the second paragraph of section 2.”.

6 **TITLE V—SUPPORT AND REIM-**  
7 **BURSEMENT OF ARBITRA-**  
8 **TION PANELS**

9 **SEC. 501. PURPOSES OF ARBITRATION PANELS.**

10 Section 801(b)(1) of title 17, United States Code, is  
11 amended by striking out “and 116,” and inserting in lieu  
12 thereof “, 116, and 119,”.

13 **SEC. 502. SUPPORT AND REIMBURSEMENT OF PANELS.**

14 Section 801(d) of title 17, United States Code, is  
15 amended to read as follows:

16 “(d) SUPPORT AND REIMBURSEMENT OF ARBITRA-  
17 TION PANELS.—The Librarian of Congress, upon the rec-  
18 ommendation of the Register of Copyrights, shall provide  
19 the copyright arbitration panels with the necessary admin-  
20 istrative services related to proceedings under this chapter,  
21 and shall reimburse the arbitrators at such intervals and  
22 in such manner as the Librarian shall provide by regula-  
23 tion. Each such arbitrator is an independent contractor  
24 acting on behalf of the United States, and shall be paid  
25 pursuant to a signed agreement between the Library of

1 Congress and the arbitrator. Subject to the provisions of  
2 section 802(c), payments to the arbitrators shall be con-  
3 sidered costs incurred by the Library and the Copyright  
4 Office for purposes of section 802(h)(1).”.

5 **SEC. 503. NONAPPLICABILITY OF LIMITATIONS ON POSI-**  
6 **TIONS.**

7 Section 802(h)(2) of title 17, United States Code, is  
8 amended by striking out “Section 307” and inserting in  
9 lieu thereof “Sections 306(b) and 307”.

